



Departmental Business Plan and Outlook

Office of Community and Economic Development

Fiscal Years:

2005-2006

&

2006-2007

Plan Date: December 2005

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III. THE PLAN

Goals:

Allocate County Government resources in support of activities that increase and diversify jobs and incomes while eliminating socio-economic disparities in underserved areas

Lead the coordination of economic development activities throughout Miami-Dade County

Expand entrepreneurial development opportunities within Miami-Dade County

Create a more business-friendly environment in Miami-Dade County

Provide adequate, quality and affordable housing equitably throughout Miami-Dade County

EXECUTIVE SUMMARY

The Office of Community and Economic Development (OCED) is charged with delivering community, neighborhood and industrial development activities to targeted low- to moderate-income neighborhoods and municipalities. The programs through which these objectives are achieved include predevelopment funding, small and medium size business loans, limited public services grant programs, tax increment financing, browns-fields revolving loan funds, tax abatements, technical assistance to funded agencies and the ability to access and develop publicly owned lands.

The Department is facing both current and future uncertainties that can have a significant impact on the future of its operations. Not the least of which, is the existence of the entire CDBG program. It is possible that the program, which represent the primary funding vehicle of the department, could be eliminated, or even if maintained could be funded at a significantly reduced level. Another challenge to the program is the perceived inequity in the program's funding formula, a development that may further impact the amount of funding received by the County. FY 2006 funding for the CDBG and HOME programs which has been cut by 10% and 6% respectively, from its FY 2005 levels, provides significant challenges for the Department's management, in an environment in which the low- to moderate income community that it serves, has demonstrated increasing need for the resources that these programs provide.

OCED's allocation of County general revenue funds, which historically have been allocated to the department's administrative expenses, will not supplement the department's overall operating costs and consequently will not help to address challenges to the sustainability of the level of service that OCED provides to the community. Both the number of activities for which funding has been requested (509) and the amount of funding being sought (\$159.0 million), attest to the enormity of the cavity between the communities needs and the available resources, as less than 48% of the activities for which funding was requested has been funded and funding request exceed available funds by over \$100 million.

In this environment, OCED's management is obligated to reevaluate how its programs are being administered, if the department is to ensure maximum utilization of its staff and the resources at their disposal. During the course of its evaluation process, OCED'S management considered several initiatives, resulting in the two most cogent alternatives being, the reengineering of three of the departments four divisions' functions and examining policies designed to limit the number of applicants to the annual RFA process. In the evaluation of all the strategies examined by management, technology and training have been considered to paramount importance in meeting these challenges.

Some of the initiatives examined by management that were conducive to immediate implementation, have already been introduced as department policies, to give staff a sense of "quick victory", while management labors to find resolutions to the more comprehensive recommendations. For example, two of these initiatives are, the streamlining of the application and evaluation process and requiring mandatory capacity training for all funded agencies. It is noteworthy that some of these initiatives are being driven by new requirements from U.S. HUD, which is being challenged by the current Administration in Washington, to achieve increased effectiveness and cost savings through efficiencies in the program.

EXECUTIVE SUMMARY – CONT'D

Nonetheless, consistent with the stated mission of the economic development strategic service area, expansion of economic opportunity for the residents of Miami-Dade County will govern management's approach in the performance of all the organization's functions. Repositioning OCED as a grants department and not a proprietary department will, enhance the potential to successfully meet the objectives that have been established for the department.

FY 2005-2006 Major Milestones:

- Apply a more regional focus in fostering increased citizen participation in the funding process
- Expand the level of technical assistance provided to OCED clients
- Maintain the Commission District Reserve and Community Advisory Committee Reserve fund initiatives
- Seek to maintain our expenditure ratio at 1.5 times annual entitlement
- Acquire or assist in the acquisition/disposition of land parcels for redevelopment
- Promote commercial and industrial development activities linked to job creation
- Increase the level of training available to staff
- Increase the OCED's ability to leverage other public and private institutional investments
- Increase the level of program responsiveness to customer demand
- Improve all elements of OCED's project approval process
- Increase the level of communications between the Departments and community stakeholders
- Emphasize funding with State WAGES and Alliance for Human Services identified programs

Silvia Unzueta
Acting Department Director

INTRODUCTION

Department Purpose/Mission Statement

The Office of Community and Economic Development (OCED) administers the federal Community Development Block Grant (CDBG) Program, the federal Home Investment Partnership (HOME) program, the federal Emergency Shelter Grant (ESG), and other federal and state programs.

Department Description

Major services/programs

OCED utilizes the funds awarded through CDBG, HOME, ESG and other federal and state programs to develop viable urban neighborhoods and communities, characterized by decent housing and the expansion of economic opportunities. These federal and state funds support the development of Miami-Dade's communities and neighborhoods, with a principal emphasis on low/moderate income areas and households/persons.

Congress establishes annual levels of funding for federal programs. The U.S. Department of Housing and Urban Development awards CDBG, HOME and ESG funds to cities, states and urban counties based primarily on the number of persons living in poverty within their jurisdiction, the age of the housing stock, and the extent of over-crowded housing.

In Miami-Dade County, the cities of Miami, Miami Beach, Hialeah, City of Miami Gardens and North Miami, each receive their own CDBG entitlement funding. The City of Homestead, City of Hialeah Gardens and the City of Florida City have "opted out" of the County's program and as the result receive funding through the State of Florida. Activities eligible for funding address priority needs for housing, capital improvements, public services, economic development, historic preservation, planning and community development. Activities must principally benefit low- and moderate-income areas and households/persons. Miami-Dade County's entitlement funding for FY 2005-2006 is projected to be \$20.8 million.

HOME funds are used for a variety of activities to develop and support affordable housing programs. Eligible activities include assistance to tenants, single- and multi-family housing rehabilitation and new construction and assistance to homebuyers and homeowners. Miami-Dade County's HOME funding for FY 2005-2006 is anticipated to be \$8.0 million. A comprehensive review of the entire OCED portfolio is currently underway, in an effort to bring it into compliance with U.S. HUD guidelines.

A brief history of the OCED, including significant events that continue to impact the Department's mission and the manner in which its day-to-day business is conducted follows:

- I. In FY 2003-2004 the OCED has expanded its responsibility for some environmental review activities previously performed by the Department of Planning and Zoning.
- II. OCED has also assumed full responsibility for the Community Redevelopment activities of the County.

Department Description – Cont'd

- III. In FY 2002-2003 OCED introduced the District Fund and Community Advisory Group concept for the allocation of CDBG funds.
- IV. Implementation of a District Team concept for the management of the Department
- V. Introduction of a management philosophy where funding recommendations recognize activities that have full funding commitments in place, to ensure project completion once initiated
- VI. A funding policy that emphasizes a priority for activities previously funded, in an attempt to finish what we started
- VII. Expanded Citizen participation in the activities of the Department
- VIII. Enhanced capacity training for Community Advisory Boards
- IX. Creating joint agency relationships when appropriate, to focus on specific catalytic projects where necessary
- X. Transitioning to a fee for services department focused on catalytic developments.
- XI. Supporting the significantly increased activities of Community Redevelopment Areas (CRA's) within Miami-Dade County.
- XII. Utilizing U.S HUD's guidelines that strongly encourage the use of a local performance measurement system
- XIII. Require technical assistance pre-consultation meeting for all Housing and Capital Improvement applications to the RFA.
- XIV. Expansion of the Mom & Pop program, as a result of increased funding of the program
- XV. Transitioning from a calendar year to a fiscal year reporting period, consistent with the County's reporting cycle - 10/01 thru 9/30.

Currently OCED has the following divisions:

- Administrative Services Division
- Community Development Division
- Economic Development Division
- Community Builders Division

Organization and Staffing Levels

OFFICE OF THE DIRECTOR

- Oversee Departmental operations including the planned use of CDBG, HOME, ESG and other Federal and State programs
(Budget and FTE data included in Admin. Svcs. Div)

ADMINISTRATIVE SERVICES DIVISION

<u>FY2005</u>	<u>FY2006</u>
\$2,376	\$2,252
27 FTE	26 FTE

- Coordinates preparation of the Budget and Single Audit
- Prepares Trial Balance
- Maintains financial information in FAMIS, IDIS and CAPER
- Overviews personnel, MIS and procurement functions

COMMUNITY DEVELOPMENT DIVISION

<u>FY2005</u>	<u>FY2006</u>
\$2,563	\$2,515
28 FTE	23 FTE

- Prepares the CDBG Consolidated Plan
- Coordinates Community involvement through the Neighborhood Advisory Boards
- Manages and monitors CDBG, HOME and ESG contracts

ECONOMIC DEVELOPMENT DIVISION

<u>FY2005</u>	<u>FY2006</u>
\$1,542	\$1,511
16 FTE	14 FTE

- Promotes business and economic development with the goal of creating and retaining jobs for low-and moderate income persons
- Administers the Enterprise zone program and the Commercial Revitalization program

COMMUNITY BUILDERS DIVISION

<u>FY2005</u>	<u>FY2006</u>
\$1,262	\$1,324
12 FTE	11 FTE

- Coordinates ongoing neighborhood improvement project activities.
- Acquires and transfers parcels for urban development
- Assist in relocation due to code enforcement and/or CD displacement

Staffing Levels

Functional Unit	<u>FY 2004-2005</u> <u>Budget</u> (Prior Year)	<u>FY 2005-2006</u> <u>Budget</u> (Current Year)
Office of the Director/ Administration Services	27	26
Community Development Division	28	23
Economic Development Division	16	14
Community Builders Division	12	11
Total:	83	74

Fiscal Environment

Revenue and Expenditures by Fund

(All Dollars in Thousands)

Revenues OCED	Total Annual Budget		
	Prior Fiscal Year <u>2004</u> Actual as of 12/31/04	Current Fiscal Year 2004-2005 Budget	Year-to-date Actual as of 09/30/05
CDBG Carryover	20,919	20,000	12,394
CDBG FY Estimated Entitlement and Program Income		23,485	7,362
HOME FY Estimated Entitlement and Program Income		8,205	1,272
Total OCED Revenues			

Expenses	Total Annual Budget		
	Prior Fiscal Year <u>2002- 2003</u> Actual as of 12/31/03	Current Fiscal Year 2003-2004 Budget	Year-to-date Actual as of 09/30/04
Community Dev.	2,697	2,688	2,055
Director's Div.	2,570	2,554	1,928
Economic Dev.	1,152	1,299	1,319
Community Builders Division	1,059	1,106	964
Other Programs OCED	27,083	74,088	21,164
Public Service	5,089	6,567	4,124
Total	<u>\$74,051</u>	<u>\$120,547</u>	<u>\$66,490</u>

Equity in pooled cash (for proprietary funds only)

\$ (000's)

Fund/ Sub-fund	Prior FY <u>2003-04</u> Beginning Year Actual	Prior FY <u>2003-04</u> Year- End Actual	Current FY <u>2004-05</u> Year-end Budget
750/751	(67)	(67)	(67)
750/752	(387)	(374)	(11)
750/753	(252)	(508)	(64)
750/755	(3,854)	(1,519)	(1,658)
750/756	(1,122)	(178)	(166)
750/757	409	342	365
750/758	1,085	1,725	969
750/759	(143)	(1,286)	(3,653)
750/770	4,481	1,231	12,762
780/783	178	381	357
790/790	(6)	(6)	(6)
790/791	230	230	230
Total	\$ 552	\$3,703	\$9,189

OCED's major funding sources are Community Development Block Grant (CDBG), Home Investment Partnership (HOME) and Emergency Shelter Grant (ESG) funds.

CDBG, HOME and ESG are formula driven, annual entitlement grants from the federal government through the U.S. Department of Housing and Urban Development (U.S. HUD). On average, prior to the FY 2003-04 reporting period, the department received approximately \$24.0 million, \$7.0 million and \$750 K annually for CDBG, HOME and ESG respectively. These funding amounts have been decreasing by approximately six percent (6%) annually, since the FY 2003-04 reporting period. In December 2005, Congress passed H.R. 2863 which was forwarded to the President - the bill contained a total cut of FY 2006 formula funding for the CDBG program, of 10% and 6% for the HOME program.

Equity in pooled cash is reflected as negative balances because Miami-Dade County is on a reimbursement basis with U.S. HUD, its funding source for the referenced programs.

The Department receives no in-kind services.

Business Environment

The business environment in which OCED currently conducts its day-to-day operations can be best gauged by summarizing a sampling of recent reports and stating policies the department has implemented in an effort to sustain its effectiveness.

A recently published report on the Community Development Block Grant program entitled "*Bringing Communities into the 21st Century: A report on Improving the Community Development Program*", prepared for the U.S. House Subcommittee on Federalism, recommended the "Congress should refrain from enacting any legislation that would either eliminate the CDBG program or move it from the Department of Housing and Urban Development to the Department of Commerce. The report goes on to say that sustaining funding for the CDBG program should remain a federal priority.

Budgeted staff reductions - the FY 2005-06 Business Plan calls for an 11% reduction in staff, from 83 to 74 - has forced management to reexamine the way its operations are performed, with the objective to enhance operating efficiency, in an environment where the volume of work has by most accounts been increased. The result is that management has adopted some new operating policies in the performance of its most demanding activity, the administration of the CDBG program. It should be noted that some of these policies are driven by the latest Federal Community Planning and Development (CPD) guidelines that strongly encourage the use of a local performance measurement system, the development of new management strategies, and the implementation of management by objectives. These guidelines in combination with the County's own strategic planning objectives has mandated a complete evaluation of how the department conducts business.

Specifically, some of the more significant policy changes proposed are:

- Multiple year funding commitments - designed to limit the frequency with which an agency is evaluated for funding
- Pre-consultation with OCED staff for agencies funded under the Capital Improvement and Housing category
- OCED will provide project management and technical assistance for projects in the above referenced category
- Requirement that funded agencies participate in regularly scheduled capacity building workshops.

Critical Success Factors

1. OCED's strategy for successful accomplishment of its FY 2005-06 Business Plan elements is attainable. There are however, some existing conditions which if addressed can serve to reduce any anxiety about the effectiveness of the department in achieving its objectives. Specifically, they are:
 - a. Staff utilization (an adequate staff to agency contracts ratio must be maintained. Consideration must be given to ongoing projects, not just current year's allocations)
 - b. Staff realignment designed to ensure maximum efficiency of staff resources must be addressed

Critical Success Factors - cont'd

- c. Utilization of external resources identified for capacity building must be embraced internally and allowed to be mandated for funded agencies
 - d. Recognition that a funding reduction does translate to equivalent staff reduction if the same number of agencies are funded and contracts awarded.
 - e. Expansion of successful programs (Mon & Pop; TJIF;CRA) without a concurrent increase in staff, jeopardizes the continued success of the program
- 2. A key to the department's success is largely based in our ability to effectively manage implementation. OCED has established a district management system that divides activities into organizational structures that can closely be monitored and managed on a decentralized basis. To supplement organizational outcomes, the department has mandated that all future commitments to funding are based on the ability of the sub-grantee to demonstrate, at the time of the funding recommendation, both implementation and financial capacity to successfully complete an activity.
- 3. U.S. HUD's reevaluation of the CDBG Program and the extent of its modifications are factors to be considered when assessing the future of the department. Currently issues under consideration include:
 - a. The fairness of the program's formula in the allocation of CDBG funds
 - b. Possible revision of the Consolidated Plan in its current form and replacing it with a document designed to better target accountability
 - c. Replacement of the current IDIS system with a system that will measure performance in addition to functioning as an auditing and accounting tool.
- 4. Authority must be granted to OCED's management to reorganize the department's four divisions, to provide an operating structure consistent with its budgeted resources, in addition to achieving Federal and County operational mandates.

Future Outlook

Any assessment of OCED's future, must recognize the uncertainty surrounding the future of a CDBG program for which reform remains a paramount issue. County budget requirements and the impact on staffing, will also be a significant factor in assessing the department's future.

These factors notwithstanding, the key to the future of OCED will largely be how effectively management is able to restructure the department to remain relevant, as the County adapts to the dynamic and constant changes in the community and economic development industry. Over the last two years, OCED's management recognizing the element of change that continues to gather energy in the administration of the programs it manages, has been proactive in both their identification of the direction of the change and in the evaluation of resources necessary to remain abreast of these changes. Among management's more aggressive actions have been facilitating more training of staff, utilization of new technologies, exposing staff to techniques utilized in other regions of the United

Future Outlook – Cont'd

States, endeavoring to empower agencies to build capacity thru training and technical assistance and adopting operating procedures designed to enhance the effectiveness and efficiency of the department. Many new initiatives continue to evolve from management as its business environment dictates, as demonstrated by the consistent revision of its operating policies during the preparation of the department's annual funding process.

THE PLAN

Overview

Our FY 2005 – 06 business plan draws heavily on previously adopted work including the Miami-Dade County Strategic Plan. Miami-Dade County's Strategic Planning initiative is both a plan and a process. The plan provides a framework at a broad Countywide level where we want to go, how we get there, and how we measure our progress along the way. The process ensures increased communications at all levels of County government using consistent terms. These terms were incorporated in the document adopted by the Board.

- Our Countywide *Vision* communicates the community's shared vision for the best possible future for Miami-Dade County government.
- Our Countywide *Mission* statement communicates the role of our government. Miami-Dade County's mission statement is "Delivering excellent public services to address the community's needs and enhance our quality of life".
- Our *Guiding Principles* communicate to all levels of our organization the manner in which we expect all decisions, interactions and activities to be performed.
- Our *Strategic Themes* represent what we consider to be the most significant challenges and opportunities facing Miami-Dade County government.
- We have developed *Goals* across all County Departments. These goals provide the direction the County must move in to address the priority strategic themes and help guide us towards the desired future.
- For each goal we have defined a desired *Outcome* or set of outcomes that the County must achieve to be successful in accomplishing the goal. These outcomes are from the customer/community perspective (e.g. quality of service provided, customer satisfaction).
- For each outcome(s), implementing *Strategies* summarize at a broad countywide level the actions that will be taken to achieve the outcome(s).
- *Key Performance Indicators* are the measures that express the County's intentions from the Strategic Plan. Associated *Key Performance Objectives* assign measurable targets and timelines to the key performance indicators while the *Performance Measure* is the specific unit of measure. Departments may develop *Additional Performance Objectives*.
- *Department Activities, Tasks or Programs* are actions or groups of actions that will be undertaken by a particular department in a specific fiscal year in order to implement a strategy.

As part of the County's Strategic Plan, the Board of County Commissioners endorsed nine priority strategic themes countywide. This Department is primarily supportive of the following strategic themes:

- To expand and further diversify Miami-Dade County's economy and employment opportunities, by promoting , coordinating, and implementing economic revitalization activities that reduce socio-economic disparity and improve the quality of life of all residents
- To improve the quality of life and promote maximum independence through the provision of health care, housing and social and human services to those in need.

Supporting these themes are supporting goals and priority outcomes that directly relate to this department. These are provided along with the Department's Tasks, Activities, and Performance Measures for fiscal year 2006.

Department-related Strategic Plan Goals:

- **ED1**-Allocate County Government resources in support of activities that increase and diversify jobs and incomes while eliminating socio-economic disparities in underserved areas
- **ED2**-Identification of Emerging Targeted Industries
- **ED3**-Expand entrepreneurial development opportunities within Miami-Dade County
- **ED4**- Create a more business-friendly environment in Miami-Dade County
- **HH5**-Provide adequate, quality and affordable housing equitably throughout Miami-Dade County

Department-related Strategic Plan Priority Outcomes:

- **ED1-1**: Increased number of businesses and employment opportunities in higher-paying, targeted industries
- **ED1-3**: Increased number of low to moderate income homeowners
- **ED1-5**: Identification of emerging targeted industries
- **ED1-8**: Enhanced public reporting regarding funded activities
- **ED1-9**: Improved access to capital for small and minority businesses linked to meaningful technical assistance
- **ED2-1**: Coordinated and effective economic and community development programs
- **ED2-2**: Proactive involvement of communities in economic development efforts
- **ED2-3**: Better informed clients served by various assistance programs

Overview - Department-related Strategic Plan Priority Outcomes:

- **ED3-1:** Organizations empowered with the technical and managerial capacity to succeed
- **ED3-2:** Increase in start-ups of new businesses
- **ED3-3:** Higher leveraging of County programs' financial resources with private sector financing
- **ED4-1:** Improved infrastructure and redevelopment to attract businesses to underserved and distressed areas
- **HH5-1:** Increased availability of affordable and special needs housing

